

WORKFORCE DEVELOPMENT COUNCIL

Minutes of March 19, 2001

Chair Karen McGee called the meeting to order at 9:00 a.m. She introduced Katie Montgomery, the new Council staff from the Governor's office; Jack Shaver, Chair of the Region V *IdahoWorks* Board; Doug Gray from Department of Correction; Shelia Jones from Region VI, Seattle, USDOL; Bill Brewer, Chair for the Idaho Commission on Aging; and Joyce McRoberts, Health and Welfare.

It was moved and seconded to approve the consent agenda, including the minutes from the August 29, 2000 meeting. The motion passed unanimously.

Workforce Training Development Training Fund—Rural Component (Transmittal #3) – Gary Mahn, Director of the Department of Commerce, noted that the Workforce Development Training Program (WDTF) has proven to be a highly effective tool in encouraging companies to create new quality jobs in Idaho. However, Gary noted that many rural counties are still experiencing high unemployment and low wages. Recent mine and mill closures as well as the downturn in agriculture have had a devastating impact on the rural counties. In response to these conditions, the Governor has presented several proposals to the Legislature to assist rural economies. As part of this effort, the Departments of Commerce and Labor are proposing a Rural Component for the WDTF. Guidelines for the program are:

- A portion of the WDTF resources would be targeted to rural counties experiencing high unemployment rates and/or low per capita personal income.
- “High unemployment” will be defined at a 6.5% or higher annual rate. In the event of an economic emergency, the Directors of Commerce and Labor will have discretion to base the 6.5% rate on a shorter timeframe.
- “Low per capita personal income” will be defined as less than 80% of the state's per capita personal income level.
- “Rural” will be defined as any county that does not have a city over 20,000 in population.
- For this rural training program, we would:
 - Increase the maximum available per trainee from \$2,000 to \$3,000.
 - Eliminate the requirement to create 5 new jobs to qualify for assistance.
 - Eliminate the 25% employer match requirement.
 - Simplify the application and contract process for these smaller, rural training grants.

Eligible employers in rural counties experiencing either high unemployment or low per capita personal income could apply for assistance. We will continue to utilize the existing requirements that employers are creating new jobs (at least one) and that the companies are involved in selling their products and services outside of the local labor market. We will create a more simplified application form for the Rural Component that meets the needs of employers creating one to four new jobs. If an employer is planning on creating five or more new jobs, then that company would utilize the existing application and contract process. The Directors of the Departments of Commerce and Labor would be responsible for maintaining the appropriate level of expenditures for the rural initiative and the regular WDTF program.

The Departments of Commerce and Labor believe the above ideas will enable us to better serve rural areas experiencing economic distress, providing a valuable tool to promote economic growth, while maintaining the principles of the WDTF. The Council agreed that rural businesses needed assistance in creating new jobs. There was some concern that one to five jobs would not replace the mills and mines; Gary agreed but noted that this would be a start. **Ruth Rathbun moved and Coleen Erickson seconded approval of the Rural Component and proposed guidelines. The motion passed with one dissenting vote; Roger Madsen and Gary Mahn abstained.**

Idaho Commission on Aging Funding Request (Transmittal #4) – Melinda Adams of the Idaho Commission on Aging presented a request to the Council for ongoing funding of the Older Worker Program through Title I of WIA (Transmittal #4). For the current year, the Council recommended funding an Older Worker Project from state-level WIA funds. The funds were to be used to develop models which could then be used to seek local funding through the local *IdahoWorks* Boards. However, the Commission on Aging is concerned about continuity and long-term stability of the program if funding is dependent upon local action by the six local workforce investment areas. Without ongoing funding the existing network of trained older worker specialists could be lost.

Melinda provided information regarding the aging workforce, the specific workforce needs of this target population, and the successful outcomes the program has attained. The Commission requested ongoing funding at the current level of 5% of the state-level adult funding.

The Council discussed the implications of committing ongoing state-level funding, committing funding for one additional year, or transitioning this to local decision making. **Roger Madsen moved and Dave Whaley seconded to provide state-level funding for one additional year, with additional study of this issue. The motion passed with one dissenting vote.**

Department of Correction Workforce Issues – Doug Gray, Department of Correction, presented an overview on current issues facing Corrections. The incarcerated population has continued to grow in Idaho, resulting in a budget request for additional prison facilities. The Governor has chosen to focus instead on strategies that will negate this growth by reducing recidivism and returning prisoners to be productive citizens. His

plans included \$3.9 million for additional staff (67 positions) and contracted services to provide education and substance abuse treatment for inmates. Funding for this request is currently being debated by the Legislature.

Doug noted that inmates share a number of commonalities—1) they are all criminals, 2) they tend to isolate themselves and do not have positive role models, 3) most are failures in school, with a dropout rate over 70% (41% of this year's new prisoners are dropouts), and 4) 85% are substance abusers. Of the 5,000+ prisoners, 1,500 are under 25 years of age and have release dates within 5 years.

Doug researched some records from old employment and training activities conducted years ago under JTPA. In 1993, records show 1,500 inmates were provided short-term employability services, remedial education and Vocational Rehabilitation Services; 300 of these inmates were released and obtained unsubsidized employment. Of these 300, 77.7% never returned to prison. Since that time, the Department has not been tracking those who have been released and does not have similar statistics to determine if their current programs are or are not successful. The Department does need more outcome data.

Mike Rush, Administrator, Division of Professional-Technical Education, and Chair of the Correctional Education Committee that was assigned to develop recommendations for the State Board of Education and the State Correction Board for system improvements, addressed the Council. The Committee had representatives from Juvenile Justice, Correction, Public Instruction, Vocational Rehabilitation, and the Legislature. Mike indicated that the Committee's assignment was huge and primarily dealt with the adult population and not juveniles. Council discussion agreed that efforts should be made on early intervention with juveniles, and with the need for aid for families of offenders as well as working with local Youth Councils for input. Greg Fitch proposed the Department of Labor lead an effort to help establish standards and outcomes and work backwards to develop service strategies to meet identified goals. Roger Madsen suggested that Katie Montgomery from the Governor's Office head this effort and that Labor would participate with other partners identified by Ms. Montgomery.

Service Delivery by Boards (Transmittal #5) – Chair McGee referred to Transmittal #5 and reminded Council members the Council had adopted a policy in the fall of 1999 limiting the delivery of services by local *IdahoWorks* Boards and their staff with the intent to revisit the policy in one year, as described in the transmittal. Essentially, the policy would allow workforce Boards and their staff to serve as the One Stop Operator or deliver core and intensive services to the Adult and Dislocated Worker populations only if they were grandfathered as part of a One Stop Operator organization or were a partner in a newly formed One Stop consortium. Boards and their staffing organizations would be limited to levels of service offered under JTPA. Boards and their staff would be prohibited from delivering youth services.

Because the planning process for the coming year is well underway, it could prove disruptive if the policy were changed at this time, particularly if a decision were made to prohibit service delivery by board staffing organizations altogether. It would be more timely to reconsider and offer changes to the policy at the beginning of an annual planning cycle rather than at this stage.

Chair McGee pointed out that the staff recommendation is to extend the current policy for Program Year 2001 and defer consideration of any modifications to the policy until fall of 2001. This schedule would provide sufficient time for the local *IdahoWorks* Boards to incorporate the Council's policy into their Program Year 2002 annual planning process.

RD Palmer moved approval of the recommendation; this was seconded by Jerry Beck. Kris Suiter, Region I staff, commented that it would be more helpful to the local planning process if the Council reconsidered the policy earlier than in the fall, suggesting that the issue be taken under advisement at the Council's next meeting. **Motion carried unanimously.**

WIA Continuous Improvement Initiative Awards (Transmittal #6) – Emma Gebo noted that the Council agreed to set aside \$60,000 of WIA funds to support a continuous improvement initiative. For the first year of WIA, the initiative is being utilized to emphasize the importance of incorporating customer feedback into service delivery improvements. Each local *IdahoWorks* Board is eligible to receive \$10,000 of the funds contingent upon submitting to the Council evidence of successfully implementing this activity in their WIA service delivery.

Emma explained that all six areas submitted applications and that the Performance Committee met that morning to review and develop a funding recommendation. Emma noted that all six areas complied with the criteria and that Regions IV, V and VI were especially good. Those regions have implemented and are utilizing *IdahoWorks* as a key component and an integral part of their systems. However, the Committee expressed concerns because it appears the Southwest Idaho area (Region III) is not supportive of the Council's mission, which is to develop and provide oversight for an integrated Idaho workforce development system. The Committee expressed that the focus needs to be on an Idaho integrated system, and that terminology or branding is important. Emma expressed the concerns of the Committee members, individually and collectively, about the utilization of the terminology "WorkSOURCE" and their apparent lack of a tie-in to the statewide *IdahoWorks* system.

Council members voiced strong concerns regarding Region III's adopting a separate identity from the rest of the *IdahoWorks* system and being out of compliance with the Council's goal of creating an easily recognizable statewide system. Council members were concerned that creating a separate identity would confuse customers seeking workforce services, and would detract from the Council's goal. Bob Barber, Executive Director to the Southwest Idaho WorkSOURCE Board, provided information regarding the local Board's position on the branding issue.

Greg Fitch moved and RD Palmer seconded to recommend awarding the incentive funds to all the areas except the Southwest Idaho area until that area submits a plan to the Council to align the region with the statewide mission of the Council, to include an explanation of the use of the \$10,000 award. The motion passed; Roger Madsen and Dr. Ruch abstained.

Rural Conference Update – Ruth Rathbun and Coleen Erickson reported on the Rural Workforce Conference held in January in Coeur d’Alene and the National Association of Workforce Boards (NAWB) 2001 Forum in Washington, D.C. in February. Topics at the conferences included the changes going on with the new administration and the emphasis by Congress on accountability and results in employment and training programs. Congress is aware of the job and skill differences of the new workplace and workforce. Speakers also focused on the roles of the new workforce Boards and the value they must bring to foster greater outcomes in the employment and training community. Coleen said they met with Senator Craig’s office, and they indicated that he was confident that many issues raised by the states could be resolved. They are encouraging local WIBs to correspond with legislators for input on necessary changes.

State Board Chairs Meeting Update – Chair McGee reported on the most recent meeting of the National Association of State Workforce Board Chairs, noting that the association is developing recommendations to the Bush administration, encouraging officials to allow maximum discretion at the state and local level. She indicated that the Council may need to revisit its mission/vision/goals and may want to consider setting one or two goals a year in concert with local *IdahoWorks* Boards. She added that other states have been impressed with Idaho’s integration of workforce/education issues.

Report on Interim Committee on UI Tax Structure – Idaho Department of Labor Director Roger Madsen advised the Council that the Legislature accepted a Department recommendation to freeze the Unemployment Insurance (UI) tax rates for calendar year 2002. Because UI tax rates were scheduled to automatically increase in January 2002, this legislation will save Idaho employers approximately \$14.8 million in payroll taxes during 2002. However, this legislation also increases the risk that Idaho’s UI Trust Fund would be depleted if there were a serious economic recession, creating the potential for significant UI tax increases to continue paying benefits. The Department has noted a steady increase in Unemployment Insurance benefit payments beginning in the fourth quarter of 2000. Calendar year-to-date benefit payouts are \$8.9 million (18.5 percent) higher than the same period last year, and the number of weeks compensated is running 11.4 percent higher. The Department is forming an external UI Study Committee comprised of business, labor, and legislators to study the adequacy of the UI Trust Fund, the UI tax structure, UI tax levels, and UI benefit levels. The Committee will make recommendations to the Governor this fall for legislation to be submitted to the 2002 Legislature.

Social Security Benefits Specialists Grant – Barry Thompson, Administrator, Division of Vocational Rehabilitation Services, updated the Council on recent activities of the Division. Barry reported that 40,000 individuals in Idaho are eligible for VR Services. During FY 2000, 10,879 were served with 1,615 rehabilitated, meaning employed. Barry also reported on four different grants that the Division had received in collaboration with other agencies that were directed toward juveniles, information and referral services, applicant information for Medicaid, and information intended for employers. The Division is also working on other initiatives including a quicker delivery of services for the employer community, and more involvement with other entities serving older workers, school-to-work youth, and offenders—both juvenile and adult.

Update on Status of Jobs for America's Graduates – Mike Rush, Administrator, Division of Professional-Technical Education, provided the Council with an update. The pilot sites will begin operation this year, Pocatello/Chubbuck Senior-Year Project, College of Southern Idaho/Magic Valley Senior-Year Project, and Lewis-Clark State College Out-of-School/Dropout Recovery Project. National JAG will provide program implementation training in Idaho in April.

Council Information Brochure – Dwight Johnson, Idaho Department of Labor, provided copies of the informational brochure which has been developed for marketing the Council. In addition, he will be sending a PowerPoint presentation to Council members and other interested parties which can be used in public presentations. He also updated the Council on the statewide *IdahoWorks* marketing campaign. Radio and television ads based on the “dream job” theme will be running statewide January – June. The *IdahoWorks* website has been updated.

The Council discussed other ways in which we might enhance the awareness of the *IdahoWorks* system and the Council, including direct employer mailings, a newsletter from the local *IdahoWorks* Board, etc. It was suggested that Dwight attend the upcoming Roundtable with local Chairs and Youth Council Chairs to update them and obtain feedback on what they are doing to market the system and their services.

Discussion of Future Roundtable with Local IWB Chairs and Youth Council Chairs – Chair McGee suggested that a roundtable be convened among Council members, local IWB Chairs and Chairs of the local Youth Councils. This would be an opportunity to share best practices and local concerns. Several possible dates were considered and it was decided to schedule this June 6-7, in conjunction with the next WDC meeting. Chair McGee added that the Governor will be invited, as will staff to our Congressional delegation.

Date for Next Council Meeting – After considering several possible dates, it was decided to hold the next Council meeting June 6th and/or 7th, and to invite the local *IdahoWorks* Board Chairs and Youth Council Chairs to a Roundtable discussion.

Attendance:

Workforce Development Council
March 19, 2001

Council Members:

Steve Ahrens (absent)
Jerry Beck
Mark Briggs (absent)
Richard Cortez
Coleen Erickson
Greg Fitch
Millie Flandro
Emma Gebo
Marilyn Howard
Joyce McRoberts for Karl Kurtz
Roger Madsen
Gary Mahn
Karen McGee
RD Palmer
Ruth Rathbun
Shirley Stensgar (absent)
Charles Ruch
Shirley Silver (absent)
Dave Whaley
Bill Brewer for Lupe Wissel

Guests:

Toni Acarregui-Gable
Melinda Adams
Barbara Adolay
Bob Barber
Larry Barnhardt
Stan Brings
Cheryl Brush
Terry Butikofer
Susan Choate
Pat Debban
Jim Deffenbaugh
Tanya Dolenar

Jay Engstrom
Karen Fraley
Laura Gleason
Kay Gneiting
Michael Graham
Doug Gray
Sam Greer
Bruce Harrold
Larry Hertling
Scott Homan
Dwight Johnson
Shelia Jones
Dick Juengling
LaDonna Larson
Candy McElfresh
Chuck Mollerup
Katie Montgomery
Don Owen
Sue Payne
Bob Perky
Christine Pisani
Mike Rush
Marvin Salsbury
Brenton Sempreviva
Jack Shaver
Shirley Spencer
Ann Stephens
Rachel Stocking
Kris Suiter
Charles Sullivan
Alice Taylor
Barry Thompson
Roy Valdez